



Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report

Applicant: Naturland e.V.
Program : National Organic Program - Accreditation for Organic Certification Organizations - 2004 Annual Update
Location(s): Desk Audit
Audit Date(s): February 2005
Audit File Number: NP5045BBA
Action Required: Yes
Auditor(s): Martin Friesenhahn
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AUDIT ACTIVITIES

On February 25, 2005, a representative of the USDA, AMS, LS Audit, Review, and Compliance (ARC) Branch completed a review of annual update documents submitted by the Naturland Organic Certification Program, Gräfelfing, Germany, to verify continued compliance to the USDA, AMS 7 CFR Part 205, National Organic Program (NOP). Naturland was accredited by the NOP on November 8, 2002 for crops, livestock, wild crops, and handling operations. The annual update information was received by the auditor via e-mail on October 29, 2004 and additional update information via mail on January 17, 2005. The audit documentation is on record for review.

The following information was provided for the review:

- **Fee schedule:** No change
- **Annual Program Review:** Management Review December 2003
- **Performance Evaluations:** None submitted (completed in last quarter of the year)
- **Conflict of Interest Disclosure Reports:** Declarations of Interests Forms (17 completed from staff, Not submitted for inspectors)
- **Current Certification Activities:** The submitted *NOP Certified Operators in 2004* listed 3 operations (2 in Greece and 1 in Egypt with 11 farms). Estimated growth of 10-15% certified operations with some certifications possible in Germany.
- **Certification Files (inspection reports and certification evaluation documents:** 1 – producer/processor file (Egyptian Experts Co. – 11 farms and processor), 1 – processor (Melas Evangelos)
- **Changes to Program:**
 - Added new Certification officer for international operators (Angelika Raith is replacing Robert Nees).
 - Mrs. Sabine Häberlein rejoined the Certification Committee
 - Two employees have left Naturland (Frank Gerriets and Mildred Steidle)
- **Other Submissions:**
 - Completed ARC 1025C Checklist
 - Updated Naturland Certification Committee Chart (6/04)
 - IFOAM Certificate of Accreditation and DAP Guide 65 Certificate of Accreditation
 - Blank copy of Inspection Contract 2003 (regarding Inspection according to NOP Standards)

- Copy of Subcontracted Service Agreement with Egyptian Center for Organic Agriculture (ECO A)
- Evaluation of Staff Performance Procedure (8/04),
- NOP training information for staff (2/10/04) and Inspector training (7/8/04)

FINDINGS

The files and information submitted by Naturland for the annual update complied with NOP requirements except as noted in the non-compliances. Naturland has one NOP Project in Egypt (Egyptian Experts Co.) consisting of 11 farms and a processor certified to the NOP Standards. Egyptian Center for Organic Agriculture (ECO A) was the certifying agent subcontracted to complete the inspections at Egyptian Experts Co. The other two projects certified to the NOP are processors in Greece. Naturland had not received the 2003 NOP Annual Update Report and the corrective actions had not been addressed or submitted. Therefore, two Major and three Minor non-compliances remain outstanding from the 2003 NOP Annual Update Review. One new Major and one new Minor non-compliance were identified during this review.

Outstanding Non-compliances

NP4153BA.NC1- Major -205.504(a)(2)- Evidence of expertise and ability – Requires the name and position description of all personnel to be used in the certification operation, including.... certification inspectors.... Naturland's Subcontracting Inspection Procedures states, "Inspection bodies which carry out inspection on behalf of Naturland according to the NOP Program have to be themselves accredited certifying agents under the NOP". *Naturland subcontracted ECOA as the certifying agent to conduct inspections for Naturland. An Inspection Contract was completed between Naturland and ECOA for 2003 NOP inspections. However, ECOA has not been accredited by the NOP as a certifying agent as stated in the Naturland Subcontracting Inspection Procedures.*

NP4153BA.NC2 – Major – 205.504(a)(3)(i)/205.501(a)(4)(5) – A description of the qualifications, including experience, training, and education in agriculture, organic production, and organic handling, for each inspector to be used by the applicant. *This information was not provided on the subcontracted inspectors from ECOA.*

NP4153BA.NC3 - Minor -205.504(c)(2) - Evidence of expertise and ability- Conflicts of interests-conflict of interest disclosure reports - For all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions.....a conflict of interest disclosure report..... *The annual conflict of interest disclosure reports were not submitted for file reviewers, decision makers, and responsibly connected parties (Certification Committee, Board, and applicable staff).*

NP4153BA.NC4 - Minor -205.510(a)(4)/205.501(a)(6) - Annual report, recordkeeping, and renewal of accreditation- The results of the most recent performance evaluations..... *Performance evaluations were not submitted for persons who review applications, certification documents, make certification decisions, and evaluate qualifications for certification. In addition, performance evaluations were not included for the subcontractor inspectors.*

NP4153BA.NC5 – Minor - 205.510(a)(4)/205.501(a)(7) - Annual report, recordkeeping, and renewal of accreditation – The results of the most recent annual program review and a description of adjustments to the certifying agent's operation and procedures implemented in response to *An internal audit was*

submitted but did not include the required information for the annual program review as required by the NOP.

New Non-compliances

NP5045BBA.NC1 – Major – Clause 205.510(a)(1) requires “A complete and accurate update of information submitted pursuant to §§ 205.503 and 205.504”, and 205.510(a)(4) requires “The results of the most recent performance evaluations...”.

- a) 205.504(a)(2) – List of subcontracted certification bodies and inspectors not submitted (for completing the inspections) and (a)(3) – description of the qualifications including experience, training, and education in agriculture, organic production, and organic handling was not submitted for the subcontracted inspectors.
- b) 205.504(c)(2) – Conflict of Interest Disclosure Reports not submitted for Inspectors.
- c) 205.504(d)(2) – The two certification files submitted were incomplete.

Egyptian Experts Co.

- o Naturland subcontracted the Egyptian Center for Organic Agriculture (ECO) as the certifying agent to conduct inspections for Naturland. However, ECOA has not been accredited by the NOP as a certifying agent as stated in the Naturland Subcontracting Inspection Procedures (see outstanding non-compliance NP4153BA.NC1).
- o File submitted was missing the inspection report for crops.
- o File submitted did not have information as to which Certification Committee members reviewed the file to determine certification.
- o The letter submitted to Egyptian Experts Co. (12/23/04) by Naturland stated that the “...Certification Committee reviewed the 2003 inspection documents submitted by IMO...”. Based on that statement it was unclear if the Certification Committee used the inspection report completed by the ECOA Inspector on October 24, 2003.

Melas Evangelos

- o The file submitted did not have information as to which Certification Committee members reviewed the file to determine certification.
 - o The inspection report listed Inspector Charalampos Favvas with an inspection date of 06/08/2004. The inspection report or the documents did not list which certification body contracted this inspection for Naturland.
- d) 205.510(a)(4) – The most recent performance evaluations were not submitted.

NP5045BBA.NC2 – Minor – Granting certification – 205.404 requires the certifying agent to issue a certificate of organic operation which specifies (b)(1) The effective date of certification and (c) ...to continue in effect until surrendered..... *The certificates issued by Naturland did not list the effective date first certified to the NOP and the one of the certificates listed “Certificate of registration 2003/2004” and the other listed “Certificate of Registration 2004/2005” which implied an expiration of certification.*

RECOMMENDATIONS

This report comes with no recommendation.